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26 April 1954

MEMORANDUM FOR: Chief of Foreign Intelligence

SUBJECT : Project AE COB (Amendment and Renewal)

1. PURPOSE: The purpose of Project AE COB is to gather intelligence from the Latvian SSR through REDSOX operational methods.
2. PERSONNEL AND COVER: AE COB is presently composed of the following personnel: (Two additional agents are to be recruited during the coming year for infiltration into the Latvian SSR.)

CAMUSO/1 (Ogor A. Feldman - P.): Lived in Latvia prior to WW II; limited education; conscripted into the so-called Latvian Legion and rose to rank of lieutenant; fled to Sweden when Soviets occupied country at end of war; recruited in 1951 and taken to Germany for training; dispatched on mission in 1951 and has not been heard from.

CAMUSO/2 (Herbert Okolo - P.): A Latvian; held a number of sundry jobs prior to WW II; 1943 - 45 served in Latvian Legion; deserted when German collapse seemed near and joined partisan group to continue fight against Russians; fled to Sweden; recruited in 1951; trained and dispatched on mission in 1952 and has been in contact by s/w. It is planned to exfiltrate this agent in the spring of '54.

CAMUSO/3 (Boris Levetsky - P.): A Latvian; limited education; worked as farmhand, a lumberman; avoided all military service and toward end of WW II went to Germany as a DP, U.S. Zone; recruited and trained beginning 1952 and dispatched on mission at the end of '52; CAMUSO/3 is heard from regularly by w/t but all messages indicate he is under Soviet control.

AE BIAS/2 (Charles H. Nourse - P.): Lived in Latvia; left at an early age; arrived in Germany as a DP in 1944; graduated from Baltic University in Pinneberg, Germany; came to U.S. under DP persons program in 1949; received an engineering degree from the University of Louisiana in 1951; recruited in 1951; assessed, trained and dispatched into the area of operations in mid-1953; has not been heard from since. He has been presumed dead and overt implementation for the disposal of his benefits to his parents has begun.

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CAMBARO/2 (Lyman M. Hemeret - P.): Completed high school in Latvia; served in Police Dept. which was militarized in 1942 by Germans during their occupation and later incorporated into Latvian Legion; deserted when Germans showed signs of collapse and organized a partisan unit; escaped to Sweden where he helped organize Latvian Contacts Group which was engaged in carrying on a variety of operational schemes; recruited in 1951 and taken to Germany where he trained CAMUSO/1 and 2, and recruited CAMUSO/3; was brought to the U.S. in 1952; trained AE BIAS/2 in U.S. CAMBARO/2 is aware of being employed by CIA. He is to be dispatched into the Latvian SSR during 1954.

[] , an American, has been engaged by the [] Mission, under oral agreement at an hourly pay rate, to perform various operational services in that area for AE COB and the [] Mission.

CAMUSO/9, 10, 11, 12, AE BIAS/1 (Paul C. Revens - P.) and CALZA have all been terminated. [] , Wendall A. Rousecutt - P., and Raymond M. Gondry - P., have all been transferred to Project AE MARSH.

3. CONTACT, CONTROL AND MOTIVATION: At present direct contact is maintained between the HQ case officers and CAMBARO/2. W/t and S/W contact is maintained between HQ and the agents in Latvia. Motivation for all personnel is generally nationalistic and ideological. A minimum of control is exercised over all agents by reason of financial payments to them, except for CAMUSO/3 who is at present believed to be under Soviet control. A detailed discussion of control and motivation of AE COB personnel is contained in para. 12 of SR's project outline dated 18 January 1954.

4. HISTORY: This project was originally developed by OPC/EE-2 under Project ZR LYNCH and in August 1952 presented to the FI Staff as Project AE COB. The project was then designed to include both FI and PP operations into the Latvian SSR and had as a secondary objective the working with Latvian emigree groups outside of the area of activity in support of operations. Project AE COB was first approved on 24 Oct. '52 by C/FI for the period 1 Oct. '52 - 30 Sept. '53 for \$82,000 (PP's budget called for \$52,450, making a total of \$134,950). An amendment of AE COB dated 31 Oct. '52 and approved by C/FI on 3 Nov. '52 provided for special bonuses and other benefits for the agents to be dispatched into the Latvian SSR. No increase in funds was requested by this amendment. A "brief of clarification" on the use of operational expenses was approved by Chief, Plans (and subject to the provision of C/Plans' memorandum dated 10 August '53) on 10 August '53 thus allotting \$10,000 (of an approved \$30,000 for operational expenses) to be used in setting up the "cover society" to spot and recruit Latvians in the United States. Chief, Plans approved an extension of AE COB on 12 Dec. '53 for the period 1 Oct. '53 - 31 Jan. '54 (no additional funds requested) and DC/FI approved a second extension of AE COB for the period 1 Feb. '54 - 31 March '54 for

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\$18,000. The Division Case Officer states that as of 1 July 1953, there was no PP allocation for Project AE COB, thus making it strictly an FI operation. In regard to the "cover society" which was previously a part of AE COB, it has now been completely divorced from AE COB and was approved as a separate project, AE MARSH, by COPS on 5 March 1954.

5. APPROVAL PERIOD AND COST: Approval is requested for the period 1 April 1954 - 31 March 1955 for a total cost of \$47,075. This figure is broken down as follows: Compensation - \$23,700; Travel - \$7,300; Operational Equipment (includes foreign-type clothing, weapons, ammunition, etc.) - \$9,075; Operational expenses - \$7,000. (NOTE: Approval of these funds is requested from the DD/P-SR Division budget for this fiscal year and on the assumption that sufficient funds will be available from the budget for the next FY to carry this project through the remainder of the approval period requested.) Outstanding commitments made to the agents are as follows:

- (1) Maximum \$10,000 Death & Disability to the agents that are actually infiltrated into a denied area.
- (2) Insurance policy of \$10,000 for AE BIAS/2, payable to his parents. (See also para. 2 above.)
- (3) A \$3,000 bonus to CAMUSO/2 on successful completion of mission, and \$200 for each 6 months of satisfactory service while on his mission.
- (4) A \$5,000 bonus for CAMBARO/2 upon successful completion of mission, and a salary increase from \$5,000 to \$6,000 per year during the period he is on his mission.

The cost of this project to the Office of Communications is \$1,070. A communications annex has been prepared. A logistics annex is on file in the SR Division. Finance Division is authorized to accept certification of the project case officer, approved by SR Division, for operational expenditures of funds within the Latvian SSR and PAPS determined in their memo dated 18 December 1953 that an administrative plan for AE COB was not necessary.

6. EVALUATION OF INTELLIGENCE PRODUCTION: The intelligence audit for AE COB has not been completed but SR states that 80 positive intelligence reports have been received.

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7. FI STAFF RECOMMENDATIONS: Chief/STC reviewed Project AE COB without comment. STC/SPB concurs in the renewal of AE COB. FI/OPS recommends approval of the renewal request and suggests that SR/2 consult with FI/OPS on the techniques involved in CAMBARO/2's infiltration by air.

Concur: [

Chief, FI

[]
ef, Plans

] 30 Apr 54
Date

Attachment:

Project Outline AE COB

FI Staff Concurrences:

STC/SPB - S []

Chief/STC - S

for C/OPS - S]

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